



Department of Justice

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Eastern District of California

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SAN FRANCISCO POLITICAL POWER BROKER FOUND GUILTY OF FIVE FELONY COUNTS

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced today that a federal jury convicted JULIE LEE, 61, of San Francisco, of two counts of mail fraud and three counts of attempted witness tampering. The jury acquitted on the remaining two counts of mail fraud.

This case is the product of an extensive investigation by the Federal Bureau of Investigation.

According to Assistant United States Attorneys John K. Vincent and Lawrence G. Brown, who are prosecuting the case, JULIE LEE defrauded the State of California by misusing \$125,000 of a \$500,000 grant to develop a community center that was awarded by the State to the San Francisco Neighbors Resource Center (SFNRC). LEE then misused the \$125,000 to make campaign contributions through intermediaries to Kevin Shelley, who was a candidate for California Secretary of State in 2002. She took steps to cover up her misuse of the grant funds including creating false and misleading documents and lying to state auditors and investigators to hide her misuse of the grant funds. In the attempted witness tampering counts, the indictment alleges that LEE attempted to corruptly persuade three witnesses not to talk to and to give false information to the federal agents investigating LEE.

“The conduct at issue is nothing short of reprehensible. The very notion of laundering state grant funds for a community center of all things and converting them to political campaign

contributions is beyond the pale,” said Scott.

The maximum penalty under federal law for each offense of mail fraud is 20 years imprisonment and a fine of \$250,000. The maximum penalty for each witness tampering count is 10 years imprisonment and a fine of \$250,000.

The sentencing before United States District Court Judge Lawrence K. Karlton is scheduled for September 23, 2008.

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